

R-23- 198

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE LEASE AGREEMENT TO LEASE CERTAIN REAL PROPERTY LOCATED AT 204 AVIATION WAY IN THE CITY OF NORTH LITTLE ROCK, ARKANSAS FROM THE NORTH LITTLE ROCK AIRPORT COMMISSION; AND FOR OTHER PURPOSES.

WHEREAS, Arkansas Code Ann. § 14-54-302 authorizes the City to enter into lease agreements when authorized by a resolution approved by a majority vote of the City Council present and participating; and

WHEREAS, the North Little Rock Police Department (NLRPD) wishes to lease property located at 204 Aviation Way, more particularly described in the Lease Agreement attached hereto as Exhibit A; and

WHEREAS, the owner of the property, the North Little Rock Airport Commission, has agreed to lease the property to the NLRPD for a period of fifteen (15) years for an annual payment to be calculated according to the terms of the Agreement; and

WHEREAS, it is in the best interest of the City and its residents to enter into the Lease Agreement with the North Little Rock Airport Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Mayor and City Clerk are hereby authorized to execute a Lease Agreement (substantially similar to Exhibit A attached hereto) and to lease the premises at 204 Aviation Way from the North Little Rock Airport Commission.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Terry C. Hartwick

SPONSOR:

ATTEST:

Terry C. Hartwick
Mayor Terry C. Hartwick

Diane Whitbey, City Clerk

APPROVED AS TO FORM:


Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/kt

FILED	11:00	A.M.	__	P.M.
By	A. Fields			
DATE	9.19.23			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	S. Ussery			

LEASE AGREEMENT – 15 YEAR

THIS LEASE AGREEMENT IS MADE AND ENTERED into, by and between the North Little Rock Airport Commission (hereinafter referred to as “LESSOR”) and North Little Rock Police Department (hereinafter referred to as “LESSEE”), and is effective on the date executed by the LESSOR (the “Effective Date”), as follows:

1. **LEGAL DESCRIPTION OF LEASED PREMISES.** Subject to the terms, conditions, and covenants contained herein the Lessor does lease to Lessee the subject real property (hereinafter referred to as the “premises” or “ leased premises”) as described in Exhibit “A”, and incorporated by reference herein made a part hereof :

See Exhibit “A.”

2. **TERM OF LEASE AGREEMENT.** The term of this lease shall be for a period of fifteen (15) years commencing on the date signed by the LESSOR.

3. **RENTAL PAYMENTS.**

(a) Lessee shall pay to Lessor as annual rental on the leased premises the sum of Seven dollars (\$7.00) per square foot subject to an increase every five (5) years on the anniversary of the lease start date, of either five (5%), or in line with any increase in the Consumer Price Index published at least ten working days before the anniversary, whichever is greater, until the expiration of this lease on July 3, 2038. The premises subject to this agreement is 3,948 square feet, located at 204 Aviation Way, North Little Rock, Arkansas 72120 for an annual rental of **Twenty Seven Thousand, Six Hundred Thirty Six and 00/100 Dollars, (\$27,636.00)**

(b) Rental fees shall be due and payable on a yearly basis and shall be due on or before the first day of each rental period for which it is paid. Rental fees are due the day this Agreement commences.

2. **USE OF LEASED PREMISES.** Lessee agrees to utilize the premises in accord with the uses stated in Exhibit “B”. Any other use shall be approved by Lessor at Lessor’s sole discretion. Exhibit “B” is incorporated by reference herein and made a part hereof as though set forth word for word.

3. **COMPLIANCE.** Lessee agrees to comply with all current and future rules and regulations set forth in the rules and regulations of the Lessor. Lessor shall have the right, from time to time, to establish, modify and enforce rules and regulations with respect to all common areas including but not limited to limitations on use.

5. **INSURANCE BY LESSEE.** Lessee, a governmental entity, has tort immunity pursuant to Arkansas law, and is not required to maintain general liability insurance under this Lease. Lessee does maintain casualty (property) insurance.

4. COMPLIANCE WITH FEDERAL, STATE & LOCAL LAWS. Lessee agrees that its use of the property will conform to all federal laws and regulations, state laws, local ordinances, and operational rules and regulations of the North Little Rock Airport Commission. This provision specifically includes but is not limited to federal air spacing requirements.

5. UTILITIES. Lessee shall be responsible for direct and prompt payment of all fees, costs, and expenses associated with providing utility services to the leased premises throughout the term of this lease. Lessee shall obtain the prior, written approval of Lessor with respect to the placement of any utility lines, which may be necessary to provide such utilities. All utility lines shall be underground and shall comply with all laws, ordinances, and regulations governing installation and maintenance of such utility lines. It is acknowledged and agreed that the Lessor shall have no liability resulting from Lessee's installation of such utility lines.

6. MAINTENANCE. Lessee shall at all times during the terms of this Lease and any option or extension thereof at Lessee's cost and expense, keep and maintain in a good state of appearance and repair or cause to be kept and maintained in a good state of appearance and repair, all buildings and improvements which are erected on the leased premises including, but not limited to, the foundation, roof, walls, etc. and Lessee shall not commit waste on the leased premises. Rent shall not abate while any such repairs, alterations, improvements or additions are being made.

7. CONSTRUCTION. Lessee shall obtain approval from the North Little Rock Airport Commission before undertaking any construction on the premises. In addition, Lessee shall obtain all necessary approvals and building permits required from the City of North Little Rock and any other governmental entity before undertaking any construction on the premises. Before occupation of any building or structure upon leased premises, Lessee shall supply Lessor with a copy of its Certificate of Occupancy.

8. ASSIGNMENT. Lessee shall not assign this lease unless the assignment is approved in writing by the North Little Rock Airport Commission, which approval shall not be unreasonably withheld. In the event that Lessee is a natural person, upon Lessee's death during the term of this lease, the lease may be assigned to Lessee's heirs/beneficiaries provided Lessor has received written notice thereof from such assignee within one-hundred twenty (120) days after the death of Lessee.

9. AD VALOREM TAXES-IMPROVEMENTS. Lessee shall be responsible for the prompt timely payment of all ad valorem taxes of any nature or kind relating to any of the improvements or personality located on the leased premises. Lessee agrees to promptly pay all of such assessed taxes and to indemnify and hold Lessor harmless with respect to the assessment and/or penalties relating thereto. If the Lessee fails to pay all ad valorem taxes or any other taxes or fees based on ownership of property, the Lessee shall default on this Lease. If the Lessee fails to pay all ad valorem taxes or any other taxes or fees based on ownership or use of property in a timely manner, Lessor shall assess a fee equal to 10% of taxes in addition to all other rights or remedies available under this lease.

11. WRITTEN NOTICE. Except where otherwise specified herein notice to be provided under the terms and conditions of this Lease, notice shall be provided by hand-delivery with a signed receipt or by mailing such written notice to the parties as follows:

TO THE LESSOR: Director
North Little Rock Airport
8240 Remount Road
North Little Rock, AR 72118

TO THE LESSEE: North Little Rock Police Department
c/o Chief Patrick Thessing
1 Justice Center Dr.
North Little Rock, AR 72114

12. TRASH PICKUP/GROUND MAINTENANCE FOR LEASED AREA. Lessee agrees to store garbage, trash, and other refuse in rat-proof and insect-proof containers inside the premises, and remove the same from the premises frequently and regularly. Lessee shall be responsible for providing for regular and proper trash pickup and removal with respect to all of the leased premises and improvements thereon and for any and all tenants or occupants which Lessee may have on such leased premises. Lessee shall be responsible for the maintenance of all of the grounds on the leased premises and that all grounds and improvements placed thereon within ten (10) feet of the leased premises are mowed and maintained. Maintenance shall consist of mowing, cleaning, repairing, clearing, inspecting, testing, servicing and replacement thereof if necessary, and any other action required to keep the premises in good repair and reliable working order.

13. FURTHER DEVELOPMENT/IMPROVEMENTS OF LANDING AREAS. Lessor reserves the right to further develop or improve the landing areas of the airport as Lessor sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance.

14. MAINTENANCE OF RUNWAYS AND PUBLIC FACILITIES. Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport.

15. WAR OR NATIONAL EMERGENCY. Lessee acknowledges that during the time of war or national emergency that the Lessor retains and has the right to lease its landing areas, or any part thereof, to the United States Government for military, air, or naval use, and if such lease is executed, any and all provisions of this Agreement are suspended, to the extent that such provisions are inconsistent with the provisions of the lease to the United States Government.

16. PROTECTION OF AERIAL APPROACHES/USEFULNESS OF AIRPORT. The Lessee agrees that the Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, or require the removal of any building or other

structure on or adjacent to the airport which, in the opinion of the Lessor, would limit the usefulness of the airport or constitute a hazard to aircrafts.

17. SUBORDINATION OR AGREEMENT TO LESSOR'S FUTURE AGREEMENTS WITH THE UNITED STATES. Lessee agrees that all of its rights under this Lease are, and shall be subordinate and subject to any and all existing or future agreements between the Lessor and the United States, or its officers or agencies, relative to the operation or maintenance of the airport, the execution of which are required as a condition for the expenditure or receipt of federal funds for the development of the airport or any related aeronautic project.

18. ACCESS BY LANDLORD. Lessor, its agents and employees shall have the right to enter the premises from time to time during normal business hours and upon twenty-four (24) hours prior notice to Lessee to examine the same. During the last six (6) months of the lease term, Lessor may exhibit the premises to prospective tenants and maintain upon the premises notices deemed advisable by Lessor. In addition, during any apparent emergency, Lessor or its agents may enter the premises forcibly without liability thereof and without in any manner affecting Lessee's obligations under this Lease. Nothing herein contained, however, shall be deemed to impose upon Lessor any obligations, responsibility or liability whatsoever, for any care, maintenance or repair except as otherwise herein expressly provided.

19. QUIET ENJOYMENT. If Lessee pays the rents and other amounts herein provided, observes and performs all the covenants, terms and conditions, Lessee shall peaceably and quietly hold and enjoy the premises for the lease term without interruption by Lessor or any other persons claiming by, through or under Lessor, subject, nevertheless, to the terms and conditions of this Lease. Lessee shall not create, maintain, allow or permit a waste or a nuisance on the premises. A nuisance shall include but is not limited to any person doing an unlawful act, or omitting to perform a duty, or suffering or permitting any condition or thing to be or exist, which act, omission, condition or thing either (1) injures or endangers the comfort, repose, health or safety of others; (2) offends decency; (3) is offensive to the senses; (4) unlawfully interferes with, obstructs or tends to obstruct, or renders dangerous for passage any public or private street, highway, sidewalk, stream, ditch or drainage; (5) in any way renders other persons insecure in life or the use of property; or (6) essentially interferes with the comfortable enjoyment of life and property, or tends to depreciate the value of the property of others.

20. COVENANTS RELATING TO TITLE VI OR CIVIL RIGHTS ACT. Pursuant to Title VI of the Civil Rights Act of 1964, the Lessee agrees, on behalf of Lessee's personal representatives, successors in interest, and/or assigns, as a part of the consideration hereof, does hereby covenant and agrees that as a covenant running with the land that: (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination; (iii) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended; and (iv) that in the event of breach of any of the preceding nondiscriminatory covenants, Lessor shall have the right to take such

action, anything to the contrary herein notwithstanding, as the United States may direct, to enforce this nondiscrimination covenant.

21. COVENANTS RELATING TO AFFIRMATIVE ACTION PROGRAMS. The Lessee assures that it will undertake an affirmative action program if required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the ground of race, color, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered sub organizations provide assurances to the Lessee agreeing that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

22. HOLDOVER BY LESSEE. The Lessee agrees that any holding over by Lessee of the leased premises after the expiration of the term of this Lease, or any extension thereof, shall operate and be construed as a tenancy from year-to-year at 150% of the rental rate computed from the rental rate then prevailing under this Lease.

23. DEFAULT. Lessee shall be in default under the provisions of this Agreement upon the happening of any of the following events or conditions:

- i. Failure to pay rentals or any other amount due as set forth herein;
- ii. Failure to keep or perform or observe any of the terms, provisions, conditions, covenants or Agreements as set forth herein;
- iii. Lessor determines that Lessee has submitted any false report required to be furnished hereunder;
- iv. Lessee shall become bankrupt or insolvent or file or have to be filed against it a petition in bankruptcy or for reorganization or arrangement or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or Lessee makes an assignment for the benefit of creditors; or
- v. The premises come into the hands of any person other than expressly permitted under this Lease.

24. LESSOR'S REMEDIES UPON DEFAULT. In the event of a default by Lessee during the term of the Lease, or any extension thereof, Lessor may, at Lessor's option, declare this Lease terminated and Lessor shall have the right to enter upon and take possession of the leased premises, along with the leasehold improvements, either with or without notice, and to evict and expel Lessee and any or all of Lessee's property, belongings and effects there from without legal process and without being guilty of any manner or trespass either at law or in equity. This remedy shall be in addition to any other remedies of Lessor at law or in equity including, but not limited to, the collection of delinquent rents, possession of the leased premises, damages for breach of this Lease by Lessee, or otherwise. No delay in or failure to exercise any of the options herein granted to Lessor by reason of a default shall be deemed a waiver thereof and the waiver on one occasion of a default shall not be deemed a waiver of Lessor's right to exercise its remedies by reason of the same or similar default at a later occasion.

25. **WAVIER.** No waiver by Lessor or Lessee of any breach of any term, covenant or condition hereof shall be deemed a waiver of the same or any subsequent breach of the same or any other term, covenant or condition. The acceptance of rent by Landlord shall not be deemed a waiver of any earlier breach by Lessee of any term, covenant or condition hereof, regardless of Lessor's knowledge of such breach when such rent is accepted. No covenant, term or condition of this Lease shall be deemed waived by Lessor or Lessee unless waived in writing.

26. **ACCORD AND SATISFACTION.** Lessor is entitled to accept, receive and cash or deposit any payment made by Lessee for any reason or purpose or in any amount whatsoever, and apply the same at Lessor's option to any obligation of Lessee and the same shall not constitute payment of any amount owed except that to which Lessor has applied the same. No endorsement or statement on any check or letter of Lessor shall be deemed an accord and satisfaction of otherwise recognized for any purpose whatsoever. The acceptance of any such check or payment shall be without prejudice to Lessor's right to recover any and all amounts owed by Lessee hereunder and Lessor's right to pursue any other available remedy.

27. **ENTIRE AGREEMENT.** There are no representations, covenants, warranties, promises, agreements, conditions or undertakings, oral or written, between Lessor and Lessee other than as herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless in writing and signed by them.

28. **SUBMISSION OF LEASE.** Submission of this Lease does not constitute an offer to lease; this Lease shall become effective only upon execution and delivery thereof by Lessor and Lessee. Upon execution of this Lease by Lessee, Lessor is granted an irrevocable option for sixty (60) days to execute this Lease within said period and thereafter return a fully executed copy to Lessee. The effective date of this Lease shall be the date filled in on Page 1 hereof by Lessor, which shall be the date of execution by the last of the parties to execute the Lease.

29. **JOINT AND SEVERAL LIABILITY.** If Lessee is a partnership or other business organization the members of which are subject to personal liability, the liability of each such member shall be deemed to be joint and several.

30. **BINDING EFFECT/GOVERNING LAW.** This Lease shall be binding upon the undersigned, and upon the heirs, legal representatives, successors and assigns of the undersigned and shall be governed by the laws of the State of Arkansas.

{Signatures are on the Next Page}

WITNESS OUR HANDS AND SEAL on the Effective Date stated herein.

LESSOR:

NORTH LITTLE ROCK AIRPORT COMMISSION

By: _____
BRAD HUGHES, CHAIRMAN

DATE

ATTEST: _____

LESSEE:

CITY OF NORTH LITTLE ROCK/NLR POLICE DEPARTMENT

By: _____
TERRY C. HARTWICK, MAYOR

DATE

ATTEST: _____
DIANE WHITBEY, CITY CLERK

DATE

LEASE AGREEMENT

(Ground Lease)

EXHIBIT "A"
Legal Description of Premises

NORTH LITTLE ROCK POLICE LEASE AREA:

204 Aviation Way, North Little Rock, AR 72120 (located on North Little Rock Regional Airport property), including a detached garage at the same address.

EXHIBIT "B"

Use of Leased Premises

The Lessee agrees it shall have the right to utilize the leased premises for one or more of the activities enumerated below after receiving written approval from the North Little Rock Airport Commission:

- a. The building will be used for office space and required activities associated with such use.
- b. City Permit and Airport Permit is required if Lessee rents to others.